CHC
Community Hospital Corporation

December 12, 2017

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

RE: Promoting Telehealth in Rural America – WC Docket No. 17-310
Rural Health Care Support Mechanism - WC Docket No. 02-60
Concerns related to RHC Program FY 2018 filing window and FY 2017 delayed funding

Madam Secretary,

Community Hospital Corporation (CHC) would like to take the opportunity to comment on concerns we have related to the financial hardship caused by the standstill in FY2017 RHC funding and the recently released draft Notice of Proposed Rulemaking and Order in the Rural Health Care (RHC) program (Draft NPRM and Order).

Rural Healthcare providers are experiencing extreme financial impacts to their operational budgets due to the unforeseen extended delay in the processing of FY 2017 applications. In funding years 2013-2016 our facilities saw funding applications process in an average of 62 days – which was exacerbated by the implementation of the second filing window in 2016. If the FY 2016 window is excluded from the calculation, the average processing time was 43 days. In FY 2017, applicants have waited over 9 ½ months with little to no update on where their applications stand. Since service providers require payment, healthcare providers are forced to stretch already limited budgets. With the new funding year rapidly approaching and FY 2017 funding at a halt, impacted facilities will not be able to determine need vs. budget.

Echoing previously submitted commentary, CHC is urging the Commission to fully fund all approved applications that were submitted within the FY2017 filing window, using any rollover funds available if necessary as proposed in the draft NPRM.

CHC would also like to comment on the reduced filing window and late filing window notification for FY 2018. Rural healthcare providers are already faced with shortages in expertise and staffing and now they are being required to make hasty network decisions that could impact patient care.

CHC's final comment regarding the draft NPRM enabling service providers to voluntarily reduce rates for qualifying FY 2017 funding is that this element is concerning. While the intent is noble, CHC is apprehensive to this approach. Service providers could interpret this to mean that the Commission is requesting that service providers bear the burden of reducing their rates to below those competitively bid on, which could cause some providers to increase rates to offset a

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potential voluntary reduction in future funding years – leading to more waste within the program. It could also cause service providers to reconsider their participation in the program in future years.

In conclusion CHC requests that the Commission defer any actions that will cause further delays in the applications for Funding Year 2017, extend the proposed Funding Year 2018 filing window and allow for further discussion of potential program changes with regards to applicant eligibility, service eligibility, service provider requirements, and additional bullet points attached below.

Respectfully submitted,

/s/

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We support:

- Increasing the cap for the RHC Program.
- Seeking comment on how to prioritize funding for rural Healthcare providers in case of a lack of funding.
- Ordering the rollover of prior funding year unused funds to subsequent funding year(s).
- Enhanced review and transparency in the Telecom Program - The fair and open competitive bidding process should be sufficient. However, additional measures could be discussed to prevent/prohibit waste and abuse of program funds.
- The draft NPRM states "Almost one third of all RHC Program funding goes to healthcare providers and service providers in Alaska." The Order would give priority to individual applications for rollover funds. This could imply that the focus on prioritization is more for applicants in a single state than all applicants in the program. There should be further discussion regarding prioritization among applicants and applications.

Concerns:

- The current application window (January 1 – May 31) does not allow enough time for applicants to initiate bidding and finalize a contract.
- Service Provider voluntary reductions in rural rates.

Additional issues we would like to see opened for comment:

- Transparency - The RHC program should publish more detailed program utilization data on a regular basis.
- Services - Whether there should be an Eligible Services List in the RHC program? Rural applicants have limited access to services/providers. Should eligible services include updated technologies to promote strategic growth and expanded telehealth reach?
- HCF Cap - Should be Healthcare Connect Fund cap be maintained or adjusted with overall program expansion (currently $150M)?
    - Should multi-year commitments be allocated to the funding year in which the funding is utilized?